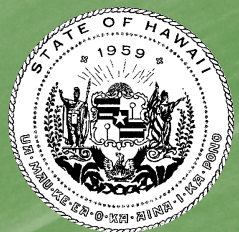


# Housing and Community Development Corporation of Hawaii



## Annual Report

July 1, 2001 - June 30, 2002





## Mission

It is the mission of the Housing and Community Development Corporation of Hawaii (HCDCH) to serve as a catalyst in providing Hawaii's residents with affordable housing and shelter opportunities without discrimination, in a balanced and supportive environment. The agency's goal is focused on attaining rental and supportive housing, community revitalization, resident self-sufficiency, home-ownership, and the efficient and fair delivery of housing and supportive services.

## The Agency

The HCDCH is administratively attached to the Department of Business, Economic Development and Tourism. Executive Director Sharyn L. Miyashiro and Executive Assistant Robert J. Hall, Jr., lead a team of over 360 employees statewide. The agency is charged with the responsibility of managing both federal and state public and rental housing programs and facilitating the development or preservation of affordable housing statewide.

## Board of Directors

The Housing and Community Development Corporation of Hawaii is governed by a Board of nine members representing a cross section of public and private expertise. The members meet monthly to oversee operations of the Corporation and to provide professional guidance concerning business and policy matters.

**Wesley R. Segawa**, *Chairperson*

President, Wesley R. Segawa & Associates, Inc., County of Hawaii

**Nadine K. Nakamura**, *Vice-Chairperson*

Owner, NKN Project Planning, County of Kauai

**Kurt H. Mitchell**, *Secretary*

Chief Executive Officer,  
Kober/Hanssen/Mitchell Architects, Inc., City & County of Honolulu

**Don Fujimoto**, *Director*

Vice President, Dowling Company, Inc., County of Maui

**Aipopo Aipopo, Jr.**, *Director, Resident Member*

President, Kalihi Valley Homes Resident Association

**Patrick Yamada**, *Director, Rental Housing Trust Fund*

Manager/Vice President, Construction & Income Property Loan  
Department, American Savings Bank

**Seiji F. Naya, Ph.D.**, *Ex-Officio*

Director, Dept. of Business,  
Economic Development & Tourism

**Susan M. Chandler**, *Ex-Officio*

Director, Department of Human Services

**Ronald S. Lim**, *Ex-Officio*

Governor's Special Assistant for Housing



Front row: Sharyn Miyashiro, Nadine Nakamura, Patrick Yamada, and Wesley Segawa  
Back row: Don Fujimoto, Ronald Lim, Kurt Mitchell, Aipopo Aipopo, Jr., and Robert Hall



## A Message from the Chair...

Aloha Kakou,

Everyone needs a place to call home. Ten years ago, the lack of affordable housing was one of the most significant problems facing our state. Since then, substantial progress has been made in meeting the need for housing, particularly among the most vulnerable members of our community.

Over the past 7 years, under the guidance of Governor Cayetano, the HCDCH has done more to meet the rental housing needs of our State than any prior Administration since Statehood. We have provided more than \$313 million in financial assistance and incentives to stimulate the development or preservation of more than 5,000 affordable rental housing units totaling \$555 million in development costs under the Low-Income Tax Credit Rental Housing Trust Fund, and other HCDCH financing programs.

We have made great strides in changing the character of public housing, as we know it. At the Governor's direction, we implemented a major initiative to restore pride and dignity to residents of our public housing communities starting with the revitalization of the Kalihi-Palama area. Instead of simply renovating or

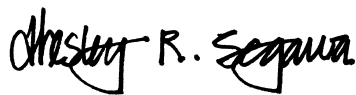
remodeling existing stand-alone facilities, we have looked to rebuild and revitalize entire communities.

We have also initiated a program to privatize State public housing. Palolo Homes operated at an annual deficit of \$500,000. Through privatization measures and the assistance of Speaker Calvin Say and U.S. Department of Housing and Urban Development (HUD), our managing partner was able to raise over \$8 million of private capital to revitalize Palolo Homes.

During the past year, we were able to offer \$50 million Hula Mae loans at the lowest mortgage rate ever. Since its inception, the Hula Mae Single Family Program has made over \$400 million in mortgage loans available to nearly 9,800 first-time homebuyers.

These are just a few examples of the HCDCH's accomplishments in addressing Hawaii's housing needs. None of this would have been possible without the guidance and direction of the Governor and the HCDCH Board of Directors, as well as the multi-talented HCDCH staff. We are thankful to everyone that has supported our efforts to create and preserve that place called home.

Sincerely,



Wesley Segawa, Chair



**T**hroughout the state over 15,500 people live in federal and state-aided public housing communities. The management of federally assisted, low-rent housing which began in the 1940's, has grown to 5,407 units on Oahu, Hawaii, Kauai, Maui and Molokai. The federal projects operate on rental revenues and an annual operating subsidy from U.S. Department of Housing and Urban Development.

## Transitions in Public Housing

The management of state-aided units began with the opening of Palolo Homes in 1953. Today, HCDCH manages 865 state-aided units on the islands of Oahu, Hawaii, Kauai, and Molokai. Rental collection provide the sole source of revenues to support operational and administrative costs for state public housing.

### A New Beginning

Kalihi Valley Homes was first occupied in 1953 and consists of 400 residential units spread out through 45 low-rise structures. A master plan was designed to address the community's desire for safety and security through a community planning process. The plan provides for the phased demolition of 11 of the 45 existing buildings to make way for more open and recreational space and the renovation of the 34 remaining buildings totaling 301 units.

Phase I, consisting of 45 residential apartments, was completed in November 2001. It was awarded the 2002 Kukulu Hale Award as the Renovation of the Year for the Public Sector by the National Association of Industrial and Office Properties (NAIOP). Phase I also garnered two awards given by the Building



Industry Association of Hawaii – the overall winner of the Commercial Remodeling Division and the Grand Award winner at the 2001 Renaissance Building and Remodeling Awards.

Currently underway, Phase II includes the complete renovation of 7 buildings, and the demolition of 3 interior buildings to create much needed open space and park area for the keiki, families and kupuna living in Kalihi Valley Homes. Phase II is anticipated to be completed in the fall of 2003.

### The Promise of a Better Future

Over the past five years, the HCDCH and residents of Kuhio Park Terrace and Kuhio Homes worked to develop a plan for a Community Resource Center. The ideas culminated in the goal of creating Ka Hale O Kameha'ikana, a center that would promote opportunities for self-sufficiency as well as provide a venue for cultural events, celebrations, and recreation.





## Rent Subsidy Programs

**H**CDCH assists families and elderly persons obtain housing through rent subsidy programs such as the Section 8 Housing Choice Voucher and the State Rent Supplement Program. These programs help families or individuals find housing in the private sector by supplementing their monthly rent payments. Those receiving assistance in the Housing Choice Voucher program pay 10% of their gross family income or 30% of their adjusted income for rent, whichever is higher. HCDCH pays the balance of the approved rent based on HUD rental limits directly to the landlord. The vouchers are portable throughout the United States. During the fiscal year, HCDCH worked with the neighbor island counties to streamline the Housing Choice Voucher program by reallocating HCDCH's vouchers to the respective counties effective July 1, 2002.

In 1967, the State of Hawaii began its own Rent Supplement Program. The program was originally designed for families with incomes over the limit for public housing, but paying more rent than they can afford in the private market. The program now targets very low-income families. Rent supplement participants pay a minimum of 20% of their adjusted income for rent and the HCDCH pays the balance, up to \$160 per month.

To honor the matriarchs and strong women of the Kalihi Valley area, Senator Inouye recommended naming the center Ka Hale O Kameha'ikana meaning "The House of Kameha'ikana." Kameha'ikana is one of the six rebirths of Haumea, the goddess form of Papa (the Earth Mother) who is best known for increasing food supplies, watching over marriages, easing the birth of children and increasing the nation.

The Ka Hale O Kameha'ikana is scheduled for completion in the Spring of 2003. The center will include: teen and family support services; child care through Head Start and Early Head Start programs; respite care services; job training in culinary arts, property maintenance/management and computer programming skills; medical and counseling services; welfare consultation; and economic development initiatives.

Programs	Oahu	Hawaii	Kauai	Maui	State Total
Section 8 Housing Choice Vouchers	1,728	46	18	127	1,919
Section 8 Welfare-to-Work Vouchers	809	133	55	111	1,108
Mainstream	175	0	0	0	175
State Rent Supplement	655	187	49	86	977
<b>TOTAL</b>	<b>3,367</b>	<b>466</b>	<b>122</b>	<b>324</b>	<b>4,179</b>



It is the goal of the resident services program to promote healthy families and communities and to encourage self-sufficiency. To achieve this, the HCDCH enters into partnerships with public and private entities.

The HCDCH received \$1,320,592 in Public Housing Drug Elimination Program grants in FY 2002. HCDCH contracted with the Honolulu, Kauai and Maui County police departments and four non-profit service providers to provide law enforcement and drug prevention type activities. The activities were implemented in the towns and villages of Kekaha Ha'aheo, Kapaa, and Hui O Hanamaulu (Kauai); Kahekili Terrace, and Makani Kai Hale (Maui); and Puuwai Momi and Waipahu I and II (Oahu).

## Resident Services

The HCDCH also participated in neighborhood watch programs at 15 sites and voluntary tenant patrols at 13 public housing sites. These programs are an integral part of HCDCH's efforts to reduce crime in and around public housing. The watch and patrol programs receive ongoing support and training from the HCDCH staff and the local Police Departments with HCDCH providing equipment and uniforms to all trained tenant patrols.

A directive from the Board of Directors emphasized the concept of community empowerment through the formation of resident associations. Resident associations worked hard to revise and adopt new by-laws and held elections for resident association officers at: Kuhio Homes, Puahala Homes, Mayor Wright Homes, Kauhale Nani, Kekaha Ha'aheo, Kahekili Terrace, Kauhale O' Hanakahi, Hale Ho'okipa, Palolo Valley Homes, and Ho'okipa Kahalu'u. Because of their tireless work in forming resident associations, the Resident Services Section of the HCDCH was recognized and awarded the Team of the Year within the Department of Business, Economic Development and Tourism for FY 2002.

In June 2002, a Permanent Resident Advisory Board was formed with the appointment of 19 resident leaders. The Resident Advisory Board will assist the HCDCH with the development of the HCDCH 5-Year and Annual Plans for federal public housing through observations and recommendations.

### Teaming Up for Change

"Teaming Up For Change" a comprehensive training workshop was held in February 2002 and conducted through the teaming of the HCDCH and the HUD offices in Honolulu and San Francisco. The workshop provided opportunities for members of public housing communities to build relationships and share ideas on the issue of public housing. It also allowed the workshop participants to interact with Micheal Liu, Assistant Secretary of Public and Indian Housing, who gave the keynote address.

Participants discovered how to foster and develop self-sufficient community members and learned key methods that can be used toward building stronger communities. Aside from learning how to provide a foundation on which housing communities can flourish, key personnel from HUD also provided insight into changes in federal housing policies.





# Building Rental Communities

**H**CDCH promotes the development or preservation of affordable rental housing through numerous program resources. In FY 2002, the HCDCH utilized tools such as tax credits and low-interest loans to facilitate the development or revitalization of rental housing throughout the state.

A major financing tool for private developers and non-profit organizations constructing or rehabilitating affordable rental units is the **Low-Income Housing Tax Credit Program**. Under this program, federal and state tax credits awarded by HCDCH may be used to obtain a dollar-for-dollar reduction in income tax liability for 10 years or may be syndicated to generate substantial project equity. \$29.9 million in annual federal and state tax credits were awarded this fiscal year to private developers to create or rehabilitate 443 affordable rental units.

Equity-gap low-interest loans issued through the **Rental Housing Trust Fund Program** are available to

qualified owners and developers constructing affordable rental housing. A total of \$11.7 million in trust funds was awarded to five projects this fiscal year. Construction began or was completed on a total of two projects, which resulted in 164 new rental units.

## Restoring Palolo Pride

Following a vision by Governor Cayetano, the HCDCH began the revitalization of the 306-unit, 50 year old, Palolo Homes. HCDCH, HUD and the Mutual Housing Association of Hawaii (MHAH) forged a partnership to privatize Palolo Homes resulting in the infusion of approximately \$17 million in financing.

In a time of severe budget constraints, this innovative privatization initiative is anticipated to eliminate \$500,000 in annual deficits through HUD Project-based Section 8 vouchers and save \$8 million in future state CIP obligations through the infusion of private capital generated from the sale of tax credits. Renovations are anticipated to be completed by March 2003. Active resident participation in the management of the property and MHAH initiated programs promoting resident self-sufficiency and other important life skills lend added value to this inventive program.

## Elderly Care

The HCDCH and the Hawaii Housing Development Corporation (HHDC), a non-profit developer, also dedicated the \$13.1 million affordable senior rental, Kalakaua Vista Apartments in March 2002. The Kalakaua Vista Apartments consists of 80 rental units targeted to meet the needs of seniors earning at or below 30% to 50% of Honolulu's median income. In addition to affordable rental rates to meet the needs of lower income seniors, residents will have access to general case management and referral services, counseling, guidance and educational programs.

HCDCH financing for the project consisted of a loan from the State's Rental Housing Trust Fund, along with federal and state Low Income Housing Tax Credits. Kalakaua Vista Apartments is the third affordable rental project to be undertaken by the HHDC in partnership with the HCDCH.





**The Rental Assistance Program (RAP)** provides qualified owners of rental developments with project-based rental subsidies for units with rents that are affordable to families who earn 80% or less of the area median income. During this fiscal year, a total of 1,438 families in 17 developments were assisted under the program. RAP also can provide

## Building Rental Communities

developers with low interest rate construction loans. The program has provided approximately \$32 million to facilitate the development of 690 new rental units.

**The Hula Mae Multi-Family Revenue Bond Program** is used to encourage the development or rehabilitation of rental housing by private developers and owners by providing interim and permanent financing at below-market interest rates through the sale of tax-exempt revenue bonds. To qualify, projects must satisfy affordability requirements. The program has strong developer interest due to the ability to secure Low-Income Housing Tax Credits in conjunction with the Hula Mae Multi-family financing. To date, the program has financed four



Kuhio Park Terrace Community Resource Center

projects with \$74.7 million to stimulate the development or rehabilitation of 417 rental units.

When private developers cannot develop low-income rental housing, HCDCH has two programs to finance HCDCH-developed rentals. **The Rental Housing System (RHS) and the State of Hawaii Affordable Rental Housing Program (SHARP)** provide low-interest financing to alleviate Hawaii's acute rental housing shortage. Together, the RHS and SHARP have provided 1,363 affordable rental units to date.

The federal **HOME Investment Partnerships Program** gives State and County governments flexibility to fund a wide range of low-income housing activities that leverage creative and unique housing partnerships among states, localities, private industry, and non-profit organizations. The HOME Program supports households earning 80% or less of the area median income.

During fiscal year 2002, HCDCH allocated its \$3 million in HOME funds to the counties of Kauai, Maui and Hawaii to address their respective housing needs. The City and County of Honolulu received its own allocation of HOME funds from HUD. Projects receiving funding included: Kalepa Village Phase 2B (Kauai), West Maui Community Resource Center, Wailuku Small Business Market Center (Maui), Kamuela Senior Rental Housing Project (Hawaii), and Puukapu Self Help Housing Project (Hawaii).



Kalakaua Vista Dedication



**T**he HCDCH administers a number of programs to promote and maintain homeownership. The **Hula Mae Single Family**, the **Mortgage Credit Certificate**, and the **Downpayment Loan programs** increase home ownership opportunities among first-time homebuyers and also assist the real estate and construction sectors by making housing products more affordable. In FY 2002, the HCDCH offered \$50 million in Hula Mae low interest loans at 5.76%, the lowest rate since the inception of the Hula Mae program in 1979. Approximately 330 low- and moderate-income Hawaii families will become first-time homeowners. Through June 30, 2002, a total of 9,756 Hawaii households have benefited from this program.

## Increasing Homeownership Opportunities

In FY 2002, HCDCH initiated the Section 8 Homeownership Option Program that allows eligible Section 8 recipients on Oahu to use their rental vouchers for mortgage payments. Over 800 Section 8 recipients have applied for assistance.

Through the **Land Reform Program**, the HCDCH assists single family homeowners in acquiring their leased fee interest in their single family lots. The HCDCH also facilitated the arbitration of lease rent for nine lessees under the **Lease Rent Renegotiation Program**.

## Continuing with Community Development



Kalihi Valley Homes Modernization Phase I

**O**ne of HCDCH's major initiatives is the creation of healthy and strong communities instead of stand-alone housing projects.

In May 2002, the HCDCH in partnership with the Makai Village Partnership, announced the groundbreaking for the model homes of Kapolei Kai in the 4,300 unit Villages of Kapolei master planned community. Kapolei Kai offers 192 single-family homes for sale. Thirty percent (30%) of the units is targeted to households with incomes meeting the HUD affordability guidelines.

In addition to the Kapolei High School and Kapolei Middle School, almost 700 residential units in Villages 5 (Iwalani), 6 (Ho'olimalima), and now 7 have been constructed or will have started construction during the eight years of the Cayetano Administration. Kapolei Kai is anticipated to be fully completed in January 2007.



## Rays of Hope

**T**he State's **Homeless Programs** assist homeless persons to gain the skills to obtain and retain permanent housing. The program, which is funded from State appropriations and federal grants, is a collaboration of private, county, state, and federal agencies that work with the homeless population. During the 2001-2002 fiscal year, the Hawaii State Legislature appropriated \$5,641,152 for the Outreach, Shelter Stipend, and Grant programs. The HCDCH also received \$175,000 in federal Emergency Shelter Grants and \$160,000 in Housing Opportunities for Persons with AIDS (HOPWA).

The HCDCH contracted with 24 service providers to deliver health, social services, emergency, and transitional housing. A total of 11,275 unduplicated homeless persons were served through HCDCH's homeless programs during the fiscal year.

The sixth annual Homeless Awareness Forum themed "The Changing Faces of Homelessness" capped off homeless Awareness Week held in November. The forum gave attendees an opportunity to present ideas, goals, and possible solutions, to building better futures for the homeless and the communities we live in.

### Providing Hope

Following the tragic events of September 11, 2001, Hawaii's economy was hard hit by the resulting downturn in tourism. Thousands of residents lost their jobs or were impacted by a reduction in pay or in employable hours causing a ripple effect felt throughout all segments of the economy.

The 2001 Hawaii State Legislature convened a Special Session in October to address the needs and concerns of Hawaii residents affected by the tragedies. The first bill passed and promptly signed by the Governor in this Third Special Session appropriated \$1 million to HCDCH to provide financial assistance that addresses the housing needs of Hawaii's needy.

With the assistance of key members of Governor Cayetano's office, the Emergency Assistance Grant and Loan (EAGL) Fund for Housing, also known as "The Eagle Fund" was developed. Like the proud symbol of our nation and what it stands for, "The Eagle Fund" name was chosen to provide inspiration and hope, and also to help stabilize the foundation and structure of Hawaii's families.

From its implementation on December 6, 2001 throughout the six months of the fund's existence, more than 1,974 grants were issued to help more than 3,400 people in need.

### Giving Shelter

In December, the HCDCH celebrated the completion and dedication of the Kalaeloa Family Homeless Shelter - Onemalu. The translation of Onemalu means "Sands of Peace". A total of 41 one and two bedroom residential units were rehabilitated for use.

Planning for this shelter began in 1995 with input and guidance from various members and leaders of the Leeward community and service providers. With its opening, Onemalu became the only shelter on Oahu that serves the needs of homeless couples with or without children. Families and couples began moving in toward the end of the year. An additional shelter is undergoing renovations at Kalaeloa and should be available in early 2003 for the homeless mentally ill.

# Key Legislation Passed in 2002

**T**wo of the three key measures passed in 2002 assist the HCDCH in its day to day operations. Act 64 allows the elderly head of household who is at least 62 years old to have a spouse or partner who is 18 years of age or older and other household members who are 55 years of age or older in all existing state-funded elderly housing projects or privately owned projects that are assisted by the HCDCH with State or Federal resources. Act 227 streamlines the administrative eviction process for public housing tenants by eliminating the Appeals Board, but adding up-front meetings with a tenant to help identify and resolve problems before they escalate and providing a tenant with the right to cure.

The last remaining measure, Act 152, establishes consistent standards and process requirements for public as well as private lands that are involved in safe harbor agreements and habitat conservation plans. It allows HCDCH the ability to develop portions of East Kapolei and the Villages of La'i'opua.



HCDCH 2002 Award recipients for DBEDT Employee of the Year, Team of the Year, Sustained Superior Performance, and Honorable Team Mentioned

## Employee Service Awards

### 30 Years of Service –

Charlene Nakamoto  
Karen Yamada

### 20 Years of Service –

Donald Abdul  
Anatascio Ebia  
Dori Nasu  
Russell Ishizuka  
Debbie Pena  
Bert Kajiyama  
Rudy Reese  
Kevin Kinningham  
Milton Tanoue  
Amy Kunimura  
Gary Yoshida  
Julio Mateo

### 10 Years of Service –

Nelson Abe  
Donovan Chun  
James Kekawa Jr.  
Leon Noe  
Mark Akamine  
Carolyn Crowder  
Laura Kong  
Buddy Reynolds  
Patrick Amantiad  
Jose Hermosura, Jr.  
Glory Luka  
Eric Sakanashi  
Robert Andrade  
Farrant Kamahele  
Elaine Madrid  
Telesia Taupau  
Ryan Chang  
Roven Kahalihili  
Marvin Mero  
Glori Ann Inafuku  
Elaine Murakami  
Bradley Young



Department of Business, Economic  
Development, and Tourism

**Housing and Community Development  
Corporation of Hawaii**

677 Queen Street, Suite 300  
Honolulu, Hawaii 96813  
(808) 587-0597

E-Mail: [hcdch@hcdch.hawaii.gov](mailto:hcdch@hcdch.hawaii.gov)  
Internet Website: <http://www.hcdch.hawaii.gov>







**HOUSING AND COMMUNITY DEVELOPMENT  
CORPORATION OF HAWAII**

**FINANCIAL STATEMENTS**

**Year Ended June 30, 2002**



# C O N T E N T S

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Statement of Fiduciary Net Assets – Fiduciary Funds	7
Statement of Changes in Fiduciary Net Assets – Fiduciary Funds	8

HCDCH's complete financial statements for fiscal year ended June 30, 2002, audited by Grant Thornton LLP are available at [www.hcdch.hawaii.gov](http://www.hcdch.hawaii.gov)



State of  
Housing and Community

STATEMENT OF  
June 30,

ASSETS

Current Assets

Cash

Investments

Receivables

Mortgage loans

Notes and loans

Accrued interest

Tenant receivables, less allowance for doubtful receivables of \$4,516,845

Other

Internal balances

Due from State of Hawaii

Due from HUD

Inventories

Developments in progress and dwelling units

Materials and supplies

Net investment in direct financing lease

Prepaid expenses and other assets

Deposits held in trust

Deferred bond discount and issuance costs

Total current assets

Assets held by trustees under revenue bond programs

Cash

Investments

Investments

Mortgage loans, net of current portion

Notes and loans

Other receivables

Restricted deposits and funded reserves

Net investment in financing lease, net of current portion

Deferred bond issuance costs

Capital assets, less accumulated depreciation

TOTAL ASSETS



Hawaii  
Development Corporation of Hawaii

NET ASSETS  
2002

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ 12,096,205 1,700,000	\$ 170,775,738 6,911,945	\$ 182,871,943 8,611,945
-	7,062,966	7,062,966
-	884,083	884,083
8,742	6,578,387	6,587,129
-	1,160,755	1,160,755
239,318	2,106,505	2,345,823
<u>248,060</u>	<u>17,792,696</u>	<u>18,040,756</u>
1,727,075	(1,727,075)	-
-	2,972	2,972
753,781	6,819,223	7,573,004
-	97,734,593	97,734,593
-	600,359	600,359
-	420,538	420,538
1,723,369	434,455	2,157,824
-	95,921	95,921
-	365,180	365,180
<u>18,248,490</u>	<u>300,226,545</u>	<u>318,475,035</u>
-	75,259	75,259
-	754,529,073	754,529,073
<u>-</u>	<u>754,604,332</u>	<u>754,604,332</u>
-	12,339,406	12,339,406
-	71,297,955	71,297,955
-	4,266,711	4,266,711
-	854,229	854,229
-	6,728,530	6,728,530
-	17,739,508	17,739,508
-	6,170,965	6,170,965
<u>33,945,516</u>	<u>374,843,896</u>	<u>408,789,412</u>
<u>\$ 52,194,006</u>	<u>\$ 1,549,072,077</u>	<u>\$ 1,601,266,083</u>

State of  
Housing and Community

STATEMENT OF  
June 30,

Current Liabilities

Accounts payable

Accrued expenses

Interest

Other

Internal balances

Due to State of Hawaii, including Office of Hawaiian Affairs

Due to HUD

Security deposits

Note payable

Mortgage payable

Revenue bonds payable, less deferred refunding cost

Deferred income

Deferred commitment fees

Deferred gain on sale of units and land

Estimated future costs of land sold

Total current liabilities

Deferred commitment fees, net of current portion

Arbitrage rebate payable

Note payable, net of current portion

Mortgage payable, net of current portion

Revenue bonds payable, less deferred refunding  
costs, net of current portion

Others

Commitments and contingencies

Net assets

Invested in capital assets, net of related debt

Restricted by legislation and contractual agreements

Unrestricted

Total net assets

TOTAL LIABILITIES AND NET ASSETS



Hawaii  
Development Corporation of Hawaii

NET ASSETS  
2002

Governmental Activities	Business-type Activities	Total
\$ 847,423	\$ 2,800,795	\$ 3,648,218
-	19,802,474	19,802,474
156,112	1,728,647	1,884,759
1,917,177	(1,917,177)	-
-	5,598,604	5,598,604
77,245	4,313	81,558
-	2,114,242	2,114,242
-	37,490	37,490
-	99,571	99,571
-	12,930,582	12,930,582
4	20,829	20,833
-	643,772	643,772
-	342,166	342,166
-	43,180,187	43,180,187
2,997,961	87,386,495	90,384,456
-	5,739,908	5,739,908
-	6,249,807	6,249,807
-	4,126,202	4,126,202
-	6,559,951	6,559,951
-	821,256,953	821,256,953
240,078	1,378,822	1,618,900
-	-	-
33,945,516	234,847,377	268,792,893
-	761,861,257	761,861,257
15,010,451	(380,334,695)	(365,324,244)
48,955,967	616,373,939	665,329,906
\$ 52,194,006	\$ 1,549,072,077	\$ 1,601,266,083

State of  
Housing and Community

STATEMENT OF  
Year ended

	<u>Expenses</u>	<u>Charges for services</u>	<u>Operating grants and contributions</u>
Functions/Programs			
Governmental Activities			
Homeless service and assistance program	\$ 5,470,912	\$ -	\$ 1,034,288
Rental housing and assistance program	<u>39,936,506</u>	<u>-</u>	<u>41,207,927</u>
Total governmental activities	45,407,418	-	42,242,215
Business-type Activities			
Rental assistance program	34,885,816	14,211,369	10,403,263
Housing development program	27,968,117	3,299,957	-
Multi-family mortgage loan programs	3,202,307	4,099,576	-
Single-family mortgage loan program	41,068,295	29,455,039	-
Rental housing program	25,569,292	18,366,628	-
Others	<u>1,954,009</u>	<u>1,510,739</u>	<u>-</u>
Total business-type activities	<u>134,647,836</u>	<u>70,943,308</u>	<u>10,403,263</u>
Total government	<u><u>\$ 180,055,254</u></u>	<u><u>\$ 70,943,308</u></u>	<u><u>\$ 52,645,478</u></u>
State allotted appropriations, net of lapses			
Unrestricted investment income			
Transfers			
Extraordinary item			
Loss from early redemption of revenue bond payable			
Total general revenues, transfers, and extraordinary item			
Change in net assets			
Net assets at July 1, 2001, as restated			
Net assets at June 30, 2002			



Hawaii  
Development Corporation of Hawaii

ACTIVITIES  
June 30, 2002

Capital grants and contributions	Program investment income and other	Net (expense) revenue and changes in net assets		
		Governmental activities	Business-type activities	Total
\$ -	\$ -	\$ (4,436,624)	\$ -	\$ (4,436,624)
-	70,477	1,341,898	-	1,341,898
-	70,477	(3,094,726)	-	(3,094,726)
10,799,476	2,770,179	-	3,298,471	3,298,471
-	3,809,265	-	(20,858,895)	(20,858,895)
-	2,611,253	-	3,508,522	3,508,522
-	14,072,040	-	2,458,784	2,458,784
-	1,363,974	-	(5,838,690)	(5,838,690)
-	454,364	-	11,094	11,094
10,799,476	25,081,075	-	(17,420,714)	(17,420,714)
<u>\$ 10,799,476</u>	<u>\$ 25,151,552</u>	(3,094,726)	(17,420,714)	(20,515,440)
		13,216,619	-	13,216,619
		-	21,763,212	21,763,212
		(468,810)	468,810	-
		-	(277,827)	(277,827)
		12,747,809	21,954,195	34,702,004
		9,653,083	4,533,481	14,186,564
		39,302,884	611,840,458	651,143,342
		<u>\$ 48,955,967</u>	<u>\$ 616,373,939</u>	<u>\$ 665,329,906</u>

State of Hawaii  
Housing and Community Development Corporation of Hawaii

STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS

June 30, 2002

	<u>Private Purpose Trusts</u>
ASSETS	
Cash	\$ 5,270,457
Accrued interest	<u>292</u>
TOTAL ASSETS	<u><u>\$ 5,270,749</u></u>
LIABILITIES AND NET ASSETS	
Liabilities	
Accounts payable	<u>\$ 15,952</u>
Total liabilities	15,952
Net assets	
Held in trust	<u>5,254,797</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 5,270,749</u></u>



State of Hawaii  
Housing and Community Development Corporation of Hawaii

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS - FIDUCIARY FUNDS

Year ended June 30, 2002

	<u>Private Purpose Trusts</u>
Additions	
State allotted appropriations	\$ 17,952,000
Interest	<u>3,017</u>
Total additions	17,955,017
Deductions	
Capital outlays	<u>14,773,965</u>
Total deductions	<u>14,773,965</u>
CHANGE IN NET ASSETS	3,181,052
Net assets at July 1, 2001	<u>2,073,745</u>
Net assets at June 30, 2002	<u>\$ 5,254,797</u>